

**The Internal Revenue Service Needs to Improve
Information Systems Quality Assurance
Efforts over Key Tax Law Changes
for the 2000 Filing Season**

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INSPECTOR GENERAL
for TAX
ADMINISTRATION

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MEMORANDUM FOR COMMISSIONER ROSSOTTI

FROM: Pamela J. Gardiner
Deputy Inspector General for Audit

SUBJECT: Final Audit Report – The Internal Revenue Service Needs to Improve Information Systems Quality Assurance Efforts over Key Tax Law Changes for the 2000 Filing Season

This report presents the results of our review of Information Systems' quality assurance efforts over key tax law changes for the 1999 Filing Season. We evaluated the effectiveness of the Internal Revenue Service's (IRS) process for monitoring the programming changes necessary to implement the key legislative changes affecting the 1999 Filing Season. In addition, we focused on evaluating the quality and timeliness with which the required programming changes were completed and tested.

In summary, we found that the IRS needs to develop and improve processes to ensure that the status of programming changes for the 2000 Filing Season is adequately monitored and accurately reported.

To ensure that the IRS can effectively monitor and accurately report the status of programming changes for the 2000 Filing Season, we recommended that Information Systems management ensure that the Filing Season Project Office have controls in place to monitor and oversee the progress of filing season changes. We also recommended that Product Assurance management ensure that the progress of testing is monitored consistently and that any delays are timely reported to the Executive Steering Committee (ESC) and during weekly filing season progress meetings.

Management generally concurred with the findings and recommendations in the report and has taken appropriate corrective actions. However, management stated that none of the program testing delays cited in the report led to production delays. In addition, management did not agree that all delays should

be elevated to the ESC. We believe that the ESC should be timely informed of late legislative changes to programs that may affect testing schedules or possible program implementation delays for the 2000 Filing Season. This is important for the upcoming filing season because of shortened time frames for implementing program changes, competing demands for programming resources for the Service Center Mainframe Consolidation, and Year 2000 century date change conversion.

All of management's comments have been incorporated into the report where appropriate, and the full texts of their comments are included as appendices.

Copies of this report are also being provided to the IRS managers who are affected by the report recommendations. Please contact me at (202) 622-6510 if you have any questions, or your staff may call Scott E. Wilson, Associate Inspector General for Audit (Information Systems Programs), at (202) 622-8510.

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Executive Summary

The Taxpayer Relief Act of 1997 (TRA 97) contained over 800 Internal Revenue Code amendments and nearly 300 new provisions, most of which went into effect prior to the 1999 Filing Season.¹ As a result, the Internal Revenue Service (IRS) was required to prepare its systems and programs to properly process tax return information mandated by this new legislation for the 1999 Filing Season. The IRS had other initiatives for which programming resources were needed as well. These initiatives included consolidating computer operations of 10 service centers into 2 computer centers and preparing all IRS systems for Year 2000 compliance.

The overall objective of this audit was to evaluate the effectiveness of the IRS' process for monitoring the programming changes necessary to implement the key legislative changes affecting the 1999 Filing Season. In addition, we focused on evaluating the quality and timeliness with which the required programming changes were completed and tested.

Results

We determined that the IRS incorporated key legislative changes into programs, ensured unit testing² was completed, and promptly forwarded programs to the Product Assurance Division for System Acceptability Testing (SAT).³ However, the IRS needs to improve processes to ensure that the status of programming changes for the 2000 Filing Season is adequately monitored and accurately reported for a successful filing season.

The IRS Needs to Ensure the Status of Programming Changes for the 2000 Filing Season Is Adequately and Effectively Monitored

The IRS was not adequately or effectively monitoring the status of programming changes, Requests for Information Services (RIS), for the 1999 Filing Season. The Filing Season Project Office, established to monitor and track the status of projects for the 1999

¹ The 1999 Filing Season represents the time period when taxpayers must file their tax returns. For Form 1040 tax return filing individuals, this time period is January 1, 1999, to April 15, 1999.

² Unit testing is the process of testing individual programs, subroutines, or procedures against requirements, analysis, and design documents to ensure that the program is free of logic, syntax, and design errors and that the program requirements have been satisfied.

³ SAT is the process of testing a system or program to ensure it meets the original objectives outlined by the user in the requirements analysis documents.

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and 2000 Filing Seasons, was not tasked with analyzing or verifying the information it consolidated from the various Information Systems areas, including the status of SAT. IRS executives cannot effectively make decisions regarding the status of filing season changes without accurate status information. The need for accurate information is even greater for the 2000 Filing Season because the time period for making and releasing programming changes for production is shortened. If the progress of RIS implementation is not adequately and effectively monitored, the IRS may not timely identify programming delays. An unanticipated demand for limited programming resources could result and necessary 2000 Filing Season programming changes may not be completed.

The Product Assurance Division Needs to Ensure the Status of System Acceptability Testing Is More Completely, Accurately, and Timely Reported

The Product Assurance Division⁴ does not have a process to ensure that SAT progress is fully and accurately reported. In addition, Product Assurance is not always completely, timely, or consistently reporting the status of SAT for all projects nor problems affecting SAT critical milestone dates. The IRS may not have the time and resources available to ensure that programs are adequately tested before they are placed into production or prevent program implementation delays if SAT progress and problems are not accurately reported before the 2000 Filing Season.

Summary of Recommendations

To ensure that the IRS can effectively monitor and accurately report the status of programming changes for the 2000 Filing Season, we recommend that Information Systems management ensure that the Filing Season Project Office have controls in place to monitor and oversee the progress of all filing season changes. We also recommend that Product Assurance Division management ensure that the progress of testing for the 2000 Filing Season is consistently monitored and reported. Furthermore, we recommend that any testing delays are timely reported and discussed at the IRS Commissioner's Executive Steering Committee (ESC) and weekly filing season progress meetings.

⁴ The Product Assurance Division tests the acceptability of applications software for implementation and ensures only approved, controlled versions of software are deployed. The Division is also responsible for planning, developing, scheduling, and conducting SAT.

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Management's Response: For the 2000 Filing Season, Information Systems management evaluated and updated the Filing Season Project Office's procedures related to information gathering and reporting to more effectively monitor and document milestone date changes and the resulting impact on the Product Assurance Division's testing and filing season implementation. Product Assurance management also reviewed the Division's procedures and determined that each Branch in the Division will create a matrix to consistently track the relevant milestone dates, within the respective Branch, for the filing season. Project milestones which affect test schedules will be reported through the Product Assurance Division's various reporting mechanisms, such as weekly filing season meetings held at the Assistant Commissioner and Director level. For the 2000 Filing Season, Product Assurance management began monitoring compliance to the Division's various reporting mechanisms through the filing season weekly status meetings, performance reviews with Division management, and review of the Division's Weekly Exception Report. Product Assurance management, however, stated that none of the program testing delays cited in the report led to production delays. In addition, management did not believe it would be appropriate to raise all program problems to the ESC. Management's complete response to the draft report is included as Appendix VII.

Office of Audit Comment: We do not believe monitoring the compliance to Product Assurance Division's various reporting mechanisms alone will ensure that the ESC is timely informed of late legislative changes to programs that may affect SAT schedules or possible program implementation delays for the 2000 Filing Season. As reported, we found that program delays were not consistently or timely reported using these mechanisms during the 1999 Filing Season. Therefore, we believe that all program changes or problems that may have an impact on milestone completion dates need to be discussed with the customer and the ESC.

Issues Reported During the Review and Responded to by IRS Management

In a memorandum dated October 19, 1998, we recommended that Information Systems management assign responsibility for establishing a process to reduce the time to complete RIS responses and ensure responses are issued as quickly as possible to avoid delays. Excessive delays in completing responses increase the risk that program changes and testing will not be completed in the required time periods, causing a negative effect on the overall success of the 2000 Filing Season. The memorandum is included as Appendix IV to this report. The Filing Season Project Office agreed and implemented several processes to facilitate faster responses for Filing Season 2000 RISs. These processes included: meeting with the Assistant Commissioner (Program Management and Engineering), to ensure that RISs are forwarded to the application divisions within

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one to two days; incorporating milestone dates for the submission of fully coordinated RISs into Senior Executive Service expectations, for both the customer and Information Systems executives; establishing milestones for the Pre-Coordination and Clearance of RISs; and creating the *Filing Season 2000 Baseline Change Procedures* to provide guidelines and procedures for processing RISs for the 2000 Filing Season. Management's response to the memorandum is included as Appendix V.

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Objective and Scope

We assessed the efforts to reduce the risks associated with implementing the key legislative provisions for the 1999 Filing Season.

We initiated this audit as part of the efforts, undertaken by the Treasury Inspector General for Tax Administration's (TIGTA) Office of Audit, to advise Internal Revenue Service (IRS) management whether the IRS is ready to timely and effectively adapt the key provisions from legislation enacted for 1998 and reduce the risks associated with implementing the key provisions affecting the 1999 Filing Season. The overall objective of this review was to evaluate the IRS' process for monitoring, completing, and testing programming changes necessary to effectively implement the key legislative provisions of the Taxpayer Relief Act of 1997 (TRA 97) affecting the 1999 Filing Season. We focused our review on 19 key provisions of the TRA 97, as presented in Appendix VI.

We conducted this audit at the IRS National Office and the Ogden Service Center from August 1998 to February 1999. Audit work was performed in accordance with *Government Auditing Standards*. Appendix I contains the detailed objective, scope, and methodology for our review. A listing of major contributors to this report is shown in Appendix II.

This audit report presents both audit results not previously reported and a summary of the memorandum issued during the review. A copy of the memorandum is included in this report as Appendix IV, and management's response to the memorandum is presented as Appendix V.

Background

The TRA 97 contained over 800 Internal Revenue Code amendments and nearly 300 new provisions, most of which went into effect prior to the 1999 Filing Season. To properly process tax return information affected by the new legislation, the IRS needed to develop and implement programming changes to its tax processing systems. These

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programming changes were initiated with Requests for Information Services (RIS). The IRS established the Filing Season Project Office to monitor and track the status of RISs for the 1999 and 2000 Filing Seasons and ensure RISs are timely implemented into the processing systems.

The following is a simple overview on the workflow of programming changes. Information Systems program developers take RISs and translate them into the necessary programming language. They then complete unit testing on their programs to ensure the programs and subroutines are free of logic, syntax, and design errors. They may also complete compatibility testing to ensure programs accurately process data received from external sources and accurately pass the data forward to subsequent programs and/or systems. Program developers then forward the programming changes to the Product Assurance Division. The Product Assurance Division is responsible for planning, developing, scheduling, and conducting System Acceptability Testing (SAT) for programming changes. The purpose of SAT is to independently assess the quality of applications software, using controlled data, to aid the customer in determining a system's production readiness. Any concerns about a system's readiness should be addressed during SAT. The Product Assurance Division is required to write a SAT plan which includes an overview of the testing that will be done, the resources needed to complete the testing, and time periods for its completion.

It also conducts weekly meetings with division directors, customers, the Filing Season Project Office, and other Information Systems personnel to discuss the status of SAT. It produces Weekly Exception Reports to address problems that may delay or stop the SAT for a particular project. In addition, the branch chiefs in the Product Assurance Division produce reports to track and discuss the status of projects undergoing SAT in their particular areas.

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Results

The IRS properly incorporated key legislative changes into programs and ensured that unit testing was properly completed.

The IRS properly incorporated key legislative changes of the TRA 97 into programs in preparation for the 1999 Filing Season. In addition, program developers performed adequate unit¹ and/or compatibility² testing for the key changes. Unit testing was completed in accordance with the Unit Test Process Procedures Handbook and included quality reviews of programming changes. Further, once changes were completed and unit tested, programs were promptly forwarded to the Product Assurance Division for SAT.

In its effort to monitor the status of programming changes for the 1999 Filing Season and provide the best available information to IRS management, the Filing Season Project Office consistently evaluated and updated its procedures and processes.

The IRS did not have a process to adequately and effectively monitor and report on the status of filing season program changes.

Although the IRS did incorporate the key legislative changes for the 1999 Filing Season into programs, the IRS did not have an adequate process to effectively monitor the overall status of the 1999 Filing Season changes. Therefore, the IRS needs to improve its current process to ensure that future filing season program changes are adequately and effectively monitored, as well as completed and tested timely. In addition, the Product Assurance Division needs to ensure that the status and progress of SAT is more completely, accurately, and timely reported to the IRS Commissioner's Executive Steering Committee (ESC) and oversight management. If these conditions continue to exist during the preparation for the 2000 Filing

¹ Unit testing involves testing individual programs and subroutines to ensure they are free of logic, syntax, and design errors.

² Compatibility testing involves testing to ensure that programs accurately process data received from external programs and/or systems, then accurately pass the data forward to subsequent programs and/or systems.

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Season, the completion, testing, and implementation of program changes could be delayed. Furthermore, tight time and resource constraints exist during calendar year 1999 for the completion and testing of all Information Systems program changes, including the Year 2000 century date change conversions and end-to-end testing.³ As a result, there is an increased risk that programming changes for the Filing Season 2000 will not be completed timely. This may negatively affect the overall success of the 2000 Filing Season.

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Monitored**

Personnel in the Filing Season Project Office began monitoring efforts over RISs and related programming changes for the 1999 Filing Season in April 1998. They tracked the status of programming changes through the RIS' development, issuance, and response. They then relied on the applications development areas and the Product Assurance Division to provide them with weekly project information on the status of RIS completion and any delays in testing. The Project Office summarized this information in its weekly Schedule and Status Reports. However, the Project Office's monitoring and oversight efforts did not ensure that the changes were completed and tested prior to implementation.

To report on the overall status of filing season changes, the Project Office consolidated the information obtained from the various Information Systems areas. However, it was not responsible for analyzing or verifying the accuracy of this information. Therefore, the Project Office was unable

³ End-to-end testing is the process of systematically testing the paths through which tax data will move from input all the way to output, including exercising the interfaces between systems, hardware, and operating system software, and users.

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to accurately report overall progress delays or assess whether delays would affect the overall success of the filing season. For example, information contained in the weekly Schedule and Status Reports from one reporting period had later been changed or updated in subsequent reporting periods. In comparing the Schedule and Status Report for August 19, 1998, with the report for October 21, 1998, we identified that the Refund Input Request project, which was originally outside the 1999 Filing Season window for changes, was added to the schedule for SAT. In addition, the SAT status had changed from “yes,” meaning a project would be subject to SAT by the Product Assurance Division, to “no,” meaning a project would not be subject to SAT by the Product Assurance Division, for four other projects.⁴

Until November 1998, the Project Office did not provide analyses or explanations for information that had changed.

Our review of these revisions made to the Schedule and Status Reports led to uncertainty regarding the accuracy of the information being reported and whether the updates would lead to delays in implementing 1999 Filing Season changes. While the Project Office provided valid reasons for the changes, the reasons were not analyzed at the time, nor were they explained or documented in the Schedule and Status Reports. The Project Office did not begin commenting on these changes until November 1998.

Due to the critical time periods that must be met for the 2000 Filing Season, the IRS needs to have accurate information on the status of program changes. Due to the large number of RISs scheduled for implementation each filing season, the IRS needs to present an accurate picture of the status and progress of these RISs. The need for accurate information is even greater for the 2000 Filing Season because all program changes are scheduled to be released from the Product Assurance Division in October 1999, rather than January 2000. The shortened time period

⁴ The four projects were: Combined Annual Wage Reporting, Integrated Collection System, Automated Non-Masterfile, and Individual Retirements Account File.

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for implementing program changes, and issues surrounding the Year 2000 century date change conversion, could negatively affect the completion of the RISs and, ultimately, the success of the 2000 Filing Season.

Recommendation

1. Information Systems management should ensure the Filing Season Project Office is tasked with establishing management controls to monitor and oversee the overall progress of changes for the 2000 Filing Season.

Management's Response: Information Systems management has evaluated and updated the Filing Season Project Office's procedures related to information gathering and the reporting of RIS statuses. For example, Filing Season Project Office management now requires any changes to the milestone dates for the Documentation to SAT or Programs Transmitted to SAT columns on the Schedule and Status Report to follow an authentication procedure, described as follows. Division level sign-off from the responsible application programming area documenting the date change and the resulting impact on the Product Assurance Division's testing and filing season implementation is now required, as is the Product Assurance Division's concurrence.

Information Systems management also stated that the Filing Season Project Office is now much more involved in ensuring the accuracy of RIS data submitted by the various Information Systems areas.

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**The Product Assurance Division Needs to Ensure
the Status of System Acceptability Testing Is
More Completely, Accurately, and Timely
Reported**

The Product Assurance Division is not completely, accurately, or timely reporting on the status of project SAT testing.

The Product Assurance Division does not ensure that the status of all projects/systems is reported completely and timely. As a result, the Product Assurance Division does not accurately report problems that could affect project milestone completion dates, which can lead to delays that may affect production dates. Below are examples noted during our review:

Accuracy and Timeliness Examples:

- Through January 1999, the ESC was not informed of delays in the SAT completion dates for the State Retrieval Subsystem, Electronic Management System (EMS), the Electronic Federal Tax Payment System, and U. S. Income Tax Return for Estates and Trusts (Electronic Filing System 1041). The Electronic Submission Testing Branch Chief's reports had documented possible delays with EMS every month since October 1998.
- A programming problem related to the Child Tax Credit, a key provision for the 1999 Filing Season, was discovered on November 6, 1998, when the output review could not be completed. The problem, which could not be corrected until an amended request for additional programming changes was prepared, was not reported in the Product Assurance Division's Weekly Exception Reports until December 19, 1998.
- Late legislative changes resulted in the need for additional 1999 Filing Season changes for Electronic Filing (ELF). These changes need to undergo SAT before being implemented, which could have limited Product Assurance Division's resources available to work on the January-February 1999 end-to-end test for the Year 2000 conversion. The need for additional ELF testing for the 1999 Filing Season was not documented in the Product Assurance Division's Weekly Exception

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Reports or the Electronic Submission Testing Branch Chief's reports.

Completeness Examples:

- For the Graphical Electronic Filing List Programs:

Through January 16, 1999, the Graphical Electronic Filing List Project was not listed on the weekly SAT Project List. Further, the project status was not tracked or captured in the Electronic Submission Testing Branch Chief's weekly reports until December 5, 1998. The SAT Plan, which was approved on July 22, 1998, documented that SAT was scheduled to begin in September 1998.

The SAT Plan documents that testing was scheduled to be completed by December 18, 1998. However, the weekly Electronic Submission Testing Branch Chief's reports, dated December 5, 1998 through December 19, 1998, document that testing was on schedule for a January 29, 1999, completion date. There was no mention of SAT being delayed or re-scheduled in the Electronic Submission Testing Branch Chief's weekly status reports or in the minutes from the ESC meetings held through January 1999.

- The Product Assurance Division does not consistently track a project with SAT problems, or exceptions, from inception through resolution. For example, the problem with the Child Tax Credit was first reported in the Product Assurance Division's Weekly Exception Report for December 19, 1998. However, the exception was not documented or monitored in subsequent reports.
- The Product Assurance Division does not consistently report on the SAT milestone completion dates for projects from week to week. For example, the weekly Submission Processing Branch Chief's status reports do not document the percentage milestones are completed, while the weekly Electronic Submission Testing Branch Chief's status reports track the percentages that

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documentation, data preparation, and program processing are complete. The Product Assurance Division's weekly SAT Project List tracks only SAT completion dates for projects.

It is critical that there are no unanticipated testing delays for the 2000 Filing Season. Due to programming demands for end-to-end testing, the Service Center Mainframe Consolidation⁵, and issues surrounding the Year 2000 century date change conversion, the SAT for 2000 Filing Season changes is scheduled to be completed three months earlier, in October 1999, rather than January 2000.

Therefore, it is critical that there are no unanticipated SAT delays for the 2000 Filing Season. An accurate and timely reflection of SAT status is necessary for IRS management to effectively: (1) avoid testing delays; (2) allow others to react to problems or delays identified; (3) obtain additional resources that may be needed; (4) address staff shortages; or (5) meet the critical time periods for the 2000 Filing Season.

Recommendations

2. Product Assurance Division management should consistently report on the progress of testing for the 2000 Filing Season by monitoring the critical milestone dates for at least the following phases included in SAT plans:
 - Completion of data preparation.
 - Input, processing, and output reviews of testing.
 - System interface processing.

⁵ The Service Center Mainframe Consolidation program will replace the existing mainframes at the 10 IRS Service Centers with new, Year 2000 compliant systems located at 2 Computing Centers. IRS Computing Centers support tax processing and information through data processing and telecommunications infrastructure.

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Management's Response: Product Assurance Division's management thoroughly reviewed the procedures followed within the organization when monitoring test milestones against an individual test team's progress. Product Assurance Division determined that each Branch will create a matrix to be used to track relevant milestones within their Branch. Section Chiefs will be responsible for tracking project milestones and reporting project status. Project milestones which affect test schedules will be reported through Product Assurance's various mechanisms, such as the weekly meetings held at the Assistant Commissioner and Director level between the Division and Systems Development.

3. Product Assurance Division management should identify any testing delays in their Weekly Status Reports and discuss those at the ESC and filing season progress meetings.

Management's Response: Product Assurance Division's management has already taken steps to ensure that program problems are reported promptly in their Weekly Status Report, which is distributed to the Chief Information Officer (CIO) and the Deputy CIOs. In addition, program problems, once reported, are being followed through to conclusion in the reporting process. Furthermore, for the 2000 Filing Season, the Deputy Assistant Commissioner for Product Assurance will monitor compliance with the Division's various reporting mechanisms through the weekly filing season status meetings, performance reviews with Product Assurance Division's management, and review of the Weekly Status Report. Product Assurance Division's management stated that none of the program testing delays cited in the report led to production delays. In addition, management did not believe it was appropriate to raise every program problem to the ESC.

Office of Audit Comment: We do not believe that monitoring the compliance to Product Assurance's reporting mechanisms alone will ensure that the ESC is timely informed of late legislative changes needing testing or possible program implementation delays for the 2000

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Filing Season. In addition, we found that program delays were not consistently or timely reported using these mechanisms during the 1999 Filing Season. Therefore, we believe that all program changes or problems that may have an impact on milestone completion dates need to be discussed with the customer and the ESC. Most of Product Assurance's SAT plans already document that the SAT team's ability to complete testing on schedule may be impacted by the passage and signing of legislation causing major modifications to system documentation and the need for additional review and testing of computer programs.

**Issues Reported During the Review and
Responded to by Internal Revenue Service
Management**

We reported that, although 1999 Filing Season RIS responses were technically completed timely, according to the response due date procedures documented in the *Requirements Management Document*, responses⁶ for 17 of the 19 RISs actually took more than 30 calendar days to complete. These responses were not received in a reasonable time period⁷, considering the IRS' competing priorities for Information Systems resources and the criticality to the success of the 1999 Filing Season. Since the time period for completing programming changes will be shortened for the 2000 Filing Season, Information Systems must identify ways to reduce the actual calendar days required to complete RIS responses. We recommended that Information Systems assign

⁶ By responses, we are referring to the Information Systems Division's official reply after conducting a review of a customer's request for changes and/or additions to a program or system.

⁷ We believe that an extension of 30 additional calendar days would be sufficient for the Information Systems Division to obtain clarification of or complete any additional review of a RIS.

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responsibility for monitoring the status of responses to RISs for the 2000 Filing Season to ensure they are being completed within 30 calendar days.

Management's Response: The Filing Season Project Office agreed that, due to the shortened development cycle for the 2000 Filing Season, all RISs will need to be responded to more quickly than normal. The Filing Season Project Office documented that they had already implemented several processes to facilitate faster responses for Filing Season 2000 RISs. These processes included: 1) meeting with the Assistant Commissioner (Program Management and Engineering), to ensure RISs were forwarded to the application divisions within two days to avoid delays in formulating the RIS response; 2) incorporating milestone dates for the submission of fully coordinated RISs into Senior Executive Service expectations for both customer and Information Systems executives; 3) establishing milestones for the Pre-coordination and Clearance of RISs to track the progress of RISs prior to submission; and 4) creating a "Filing Season 2000 Baseline Change Procedures" document, which provides guidelines and procedures for processing RISs for Filing Season 2000 and was the basis for building the Filing Season 2000 Baseline.

Conclusion

Due to the shortened time frame for implementing program changes, programming demands for end-to-end testing, the Service Center Mainframe Consolidation, and issues surrounding the Year 2000 century date change conversion, it is critical that there are no unanticipated delays, which might impact the success of the 2000 Filing Season. We determined that the IRS needs to improve processes to ensure that the status of programming changes for the 2000 Filing Season is adequately monitored and accurately reported for a successful filing season. An accurate and timely reflection of the status of programming changes is necessary for IRS management to effectively: (1) avoid testing delays; (2) allow others to react to problems or delays identified; (3) obtain additional resources that may

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be needed; (4) address staff shortages; and (5) meet the critical time periods for the 2000 Filing Season.

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Appendix I

Detailed Objective, Scope, and Methodology

The objective of our review was to evaluate the Internal Revenue Service's (IRS) process to monitor the Requests for Information Services (RIS), make the required programming changes, and test the programming changes necessary to effectively implement the key legislative provisions affecting the 1999 Filing Season. Specifically, we:

- I. Determined whether the 19 RISs related to the key provisions of the Taxpayer Relief Act of 1997 (TRA 97) for the 1999 Filing Season were effectively monitored to identify and track the status of program changes and ensure adequate testing was completed prior to implementation for the 1999 Filing Season.
 - A. Determined whether Information Systems management had a process in place to effectively and accurately monitor the status of all RISs for the 1999 Filing Season.
 1. Reviewed the Requirements Management Document to determine how and who should track RIS information.
 2. Determined whether Information Systems management used a database (and other means) to monitor the status of a RIS from draft through implementation and took the steps necessary to validate this information.
 - B. Reviewed RIS responses for the 19 key provisions to determine whether they adequately addressed the requirements in the RIS.
 - C. Determined whether RIS responses relating to the 19 key provisions were being issued timely.
 - D. Determined whether only RISs were used to initiate program changes required to meet the 19 key provisions.
 - E. Determined whether the Product Assurance Division had an effective process in place to monitor the testing of program changes related to the 19 key provisions.
 1. Identified whether the Product Assurance Division had a schedule to track the progress of testing program changes.
 2. Determine whether the Product Assurance Division had a process to ensure testing was completed before programs were implemented.

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- II. Determined whether key legislative changes of the TRA 97 had been incorporated into programs and adequately unit tested before being submitted to Product Assurance for System Acceptability Testing (SAT). All RISs covering the 19 key provisions were included in this review.
 - A. Determined whether programmers had accounted for each of the key provisions of the TRA 97 when making program changes by determining whether program documentation (e.g., Functional Specification Packages and Program Requirements Packages) addressed the steps detailed in the 19 RISs.
 - B. Determined whether developers were performing adequate unit and/or compatibility testing for a judgmental sample of 100 changes in the 19 key provisions.
 - 1. Reviewed the Unit Test Process Procedures Handbook that developers were following to perform testing.
 - 2. Determined whether developer testing addressed all elements in the RISs and the proper procedures for testing were being followed.
 - C. Determined whether quality reviews of program changes were being performed for the completed changes related to the 19 key provisions.
 - 1. Determined whether there was a process to review key changes.
 - 2. Determined whether the process to review the changes and testing to implement the key provisions of the TRA 97 was being followed and was effective.
- III. Determined whether key provisions of the TRA 97 had been included in the Product Assurance Division's testing plan and whether adequate SAT was being performed before programs were released or placed into production.
 - A. Determined whether the Product Assurance Division's testing methodology adequately addressed the testing of the key provisions of the TRA 97.
 - 1. Determined what procedures were in place to SAT test the 1999 Filing Season changes.
 - 2. Reviewed Internal Revenue Manual, Section 6, Product Assurance, and the draft SAT Testing Guidelines to determine whether these procedures were being followed by the Product Assurance Division to test the 1999 Filing Season changes.

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- B. For the Individual Masterfile Service Center Processing project, determined whether the SAT process (including the test data used and output reviews completed), for completed changes, would effectively verify whether programs related to the key provisions of the TRA 97 would run properly. Also, reviewed End-of-Test Status Reports for other programs related to the key provisions and determined whether they were tested and would run properly, according to the Product Assurance Division.
- C. Determined whether the level of testing performed was commensurate with the complexity of the key provision changes.
- D. Determined whether problems identified during testing affecting programs related to the 19 key provisions were properly reported, on Product Assurance Division's 5534 system and the Integrated Network and Operations Management System, and resolved timely and effectively.

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Appendix II

Major Contributors to This Report

Scott Wilson, Associate Inspector General for Audit (Information Systems Programs)
Michael Phillips, Director
Edward Coleman, Audit Manager
Kent Sagara, Audit Manager
Barbara Bartuska, Senior Auditor
Yolanda Betancourt, Auditor
Bobbie Draudt, Auditor
Richard Loudon, Auditor
Melinda Pope, Auditor

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Appendix III

Report Distribution List

Deputy Commissioner Operations C:DO
Chief Information Officer IS
Deputy Chief Information Officer, Systems IS
Assistant Commissioner for Systems Development IS:S
Assistant Commissioner for Product Assurance IS:PA
Deputy Chief Information Officer for Information Resources Management IS:IR
Director, Submission Processing Division IS:S:SP
Director, Corporate Processing Division IS:S:CP
Project Director, Filing Season IS:S:FS
Chief Operations Officer OP
Deputy Chief Operations Officer OP
Assistant Commissioner (Forms & Submission Processing) OP:FS
Assistant Commissioner (Program Evaluation and Risk Analysis) M:OP
National Director for Legislative Affairs CL:LA
Office of Management Controls M:CFO:A:M
Audit Liaison, Office of Program Oversight IS:PM:O

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Appendix IV

Memorandum #1




DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, D.C. 20224

October 19, 1998

**Response Date:
November 2, 1998**

MEMORANDUM FOR CHIEF INFORMATION OFFICER

FROM: 
for Scott E. Wilson
Acting Assistant Chief Inspector (Internal Audit)

SUBJECT: Review of Information Systems Quality Assurance Efforts
Over Key Tax Law Changes for the 1999 Filing Season -
Memorandum #1

Internal Audit developed a two phase strategy to support efforts in assuring that taxpayers will have the necessary information to properly file returns and that the Service will be able to properly process those returns during the 1999 Filing Season. Our audit, based upon Internal Audit's second phase of the strategy, focuses on evaluating the effectiveness of the Service's efforts to monitor Requests for Information Services (RISs) relevant to the key legislative changes affecting the 1999 Filing Season, as a result of the Taxpayer Relief Act (TRA) of 1997. We are also evaluating the quality and timeliness with which the required programming changes are completed and tested.

During our review, we determined that the Service must establish a process to reduce the time to complete RIS responses and ensure responses are issued as quickly as possible to avoid delays in programming and testing changes. The audit work supporting this issue was conducted in accordance with generally accepted government auditing standards. If you do not agree with the facts, conclusions, or recommendations presented in this memorandum, please contact my office within five workdays.

We believe the 10 workday response due date for this memorandum is necessary because of the time criticality of the 1999 and 2000 Filing Seasons. If you have any questions concerning this memorandum, please contact me or Margaret Begg, Director of the Office of Audit Projects, at 703/235-4200.

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Results

An excessive amount of time is being expended to complete RIS responses.

During our review of the current process to monitor the status of the key RISs identified for the 1999 Filing Season, we found that the procedures for completing and issuing RIS responses are being followed properly. While RIS responses are being issued timely according to existing procedures, we found that it took an excessive amount of time to complete RIS responses. If this condition persists for the 2000 Filing Season, it could cause delays in the completion and testing of the programming changes to be implemented.

The Service Does Not Have A Process In Place To Ensure That RIS Responses Are Completed Within Reasonable Timeframes

We believe the Service should reduce the number of calendar days needed to complete RIS responses for the 2000 Filing Season.

Although most of the RIS responses for the key 1999 Filing Season RISs included in our audit were technically completed timely, our analysis shows that 17 of the 19 responses actually took more than 30 calendar days to complete. Since the time period for completing programming changes will be shortened next year for the 2000 Filing Season, Information Systems must identify ways to reduce the actual calendar days required to complete RIS responses. The following table provides a synopsis of the calendar days it took to complete the RIS responses for the 19 key 1999 Filing Season RISs included in our review:

Number of Key RIS Responses Completed for 1999 Filing Season RISs:	
Within 30 Calendar Days	2
Within 30 to 50 Calendar Days	6
Over 50 Calendar Days	11*

*Eleven of the 19 responses were completed more than 50 calendar days after they were received by the RIS Unit in the Government Program Management Office (GPMO).

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RIS responses should be submitted to the originator within 30 calendar days from the date the RIS was received by Information Systems.

Although the Requirements Management Document states that RIS responses should be submitted to the originator within 30 calendar days from the date the RIS was received by Information Systems, the procedures also allow the response due date to go beyond 30 days if an interim response is prepared. The RIS responses for the key legislative changes for the 1999 Filing Season were technically timely. However, the actual time needed to complete 17 of the 19 responses exceeded 30 calendar days, and we do not believe this is a reasonable timeframe considering the Service's competing priorities for Information Systems' resources and the criticality to the success of the 1999 Filing Season.

Excessive delays in completing responses increase the risk that program changes and testing will not be completed in the required timeframes, causing a negative impact on the overall success of a Filing Season.

Work on a RIS should not be completed until a response has been agreed to by the originator and properly approved by a Division Director or designated official. Therefore, if RIS responses are not completed within a reasonable timeframe, there is an increased risk that programming changes and adequate testing will not be completed before programs are placed into production, causing a negative impact on the success of the Filing Season. The risk is even greater for the 2000 Filing Season because all program changes for the Filing Season are scheduled to be implemented in October 1999, rather than January 2000, due to the issues surrounding the Century Date Change conversion.

Recommendation

For the 2000 Filing Season, Information Systems should assign responsibility for monitoring the status of RIS responses to ensure they are being completed within 30 calendar days.

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Appendix V

Management's Response to Memorandum #1



DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, D.C. 20224

JAN 22 1999

MEMORANDUM FOR CHIEF INSPECTOR

FROM: For David W. Junkins *Mike Parke*
Director, Office of Information Resources Management IS:IR

SUBJECT: Revision #2 - Management Response to Internal Audit
Memorandum, "Review of Information Systems Quality
Assurance Efforts Over Key Tax Law Changes for the 1999
Filing Season - Memorandum #1," dated October 19, 1998

The attached is the second revised response to the Internal Audit (IA) memorandum entitled, Review of Information Systems Quality Assurance Efforts Over Key Tax Law Changes for the 1999 Filing Season - Memorandum #1, dated October 19, 1998. The management response submitted on January 5, 1999, was returned to the Filing Season Project Office (FSPO) with comments and suggestions from IA. A meeting with IA was held on January 13, 1999, to confirm their agreement with the submission of this response. IA was sent an advanced electronic copy of the revised response.

If you have any questions, please call me on (202) 283-4060 or have a member of your staff call Donna Downing on (202) 283-4159.

Attachment

cc: Assistant Chief Inspector (Internal Audit)
Deputy Director, Office of Audit Projects

**The Internal Revenue Service Needs to Improve
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Attachment

Revision #2 - Management Response – “Review of Information Systems Quality Assurance Efforts Over Key Tax Law Changes for the 1999 Filing Season – Memorandum #1,” dated October 19, 1998

The staff of the Filing Season Project Office (FSPO) has reviewed the Internal Audit Report "Review of Information Systems Quality Assurance Efforts Over Key Tax Law Changes for the 1999 Filing Season - Memorandum #1," dated October 19, 1998. Since Information Systems (IS) will be making program changes in a shortened development cycle for the 2000 Filing Season, we agree that all Requests for Information Services (RISs) will need to be coordinated and responded to much more quicker than normal. This opinion has the concurrence of all application development divisions of Information Systems.

Several processes have already been implemented by the FSPO to facilitate faster responses for the Filing Season 2000 RISs. Previously, the FSPO had met with the RIS Unit (Assistant Commissioner Program Management and Engineering) to ensure that RISs were forwarded to the application Divisions within one to two days to avoid delays in formulating the RIS response. Other changes were put in place to address the need to have enough time for the Internal Revenue Service (IRS) to conduct the final phase of its end-to-end testing for Year 2000 compliance in October 1999. The milestone date for submission of fully coordinated RISs for projects, developed internally by IRS programmers, is February 28, 1999. Milestone dates for submission of fully coordinated RISs for contractor developed projects were developed as follows: Integrated Submission and Remittance Processing (ISRP) system – October 1, 1998, Service Center Recognition/Image Processing System (SCRIPS) - November 15, 1998, TeleFile and Electronic Fraud Detection System (EFDS) – December 1, 1998. This will allow the additional time needed for the Statement of Work (SOW) and negotiation processes. These milestone dates were incorporated into Senior Executive Service (SES) expectations for both customer and IS executives.

The FSPO has also established milestones for the Pre-coordination and Clearance of RISs. This will enable us to track the progress of the RISs prior to February 28, 1999 and address any areas of concern. This information will be gathered weekly during January and February 1999. The Pre-coordination milestone for each RIS will be filled in when IS feels that they know the scope of the customer

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Revision #2 - Management Response for Internal Audit Memorandum, "Review of Information Systems Quality Assurance Efforts Over Key Tax Law Changes for the 1999 Filing Season - Memorandum #1," dated October 19, 1999

requirements and all impacted IS areas are in agreement that the work can be done. Product Assurance may be included in the Pre-coordination discussions depending on the scope of the request. The customer will fill in the Clearance milestone. The exact procedure for this is still under discussion since some of the customer areas already have RIS Clearance monitoring processes in place.

The FSPO created a "Filing Season 2000 Baseline Change Procedures" document that provides guidelines and procedures for processing RISs for FS2000 and is being adhered to by all IS and customer organizations. This new process was the basis for building the Filing Season 2000 RIS Baseline, which is being used in weekly meetings between the customers and IS to determine which RISs would be developed for Filing Season 2000. Discussion centers on any and all issues related to timely RIS processing for the Filing Season. The Filing Season 2000 Window consists of any RISs with a proposed or scheduled implementation date between December 1, 1999, and February 29, 2000. Each IS application development area has been assigned a FSPO liaison to facilitate RIS processing and monitor project development and deliver milestones through production implementation.

For all of the above reasons the FSPO feels that an appropriate monitoring plan is currently in place to facilitate faster processing of RISs for Filing Season 2000.

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Appendix VI

**1999 Filing Season Requests for Information
Services for Key Tax Law Changes**

1. **ETA-8-0014:** Acceptance of Automated Clearing House Debit Payment Transactions in Electronic Filing for Full Pay Balance Due Returns Except Telefile
2. **ETA-8-0016:** Electronic Filing (ELF) Processing Changes for Tax Year (TY) 1998
3. **ETA-8-0042:** Addition of Form 8862, Earned Income Credit Eligibility to the ELF Programs for TY 1998/Pay Year 1999
4. **TCP-8-0069:** Request for New COMPA 2 and COMPA 5 (Computation Command Codes for standard debit rate interest calculations)
5. **TCP-8-0108:** New Form 1065B, United States Return of Income from Electing Large Partnerships
6. **TSF-8-0001:** Unified Credit-Estate and Gift Tax Returns
7. **TSF-8-0005:** Taxpayer Relief Act of 1997 Changes to General Business Credit (Form 3800) Resulting in New Form 8861, Welfare to Work Credit, Impacting Forms 990-C and 990-T
8. **TSF-8-0011:** Changes to General Business Credit (Welfare to Work Tax Credit)
9. **TSF-8-0064:** 1999 Individual Masterfile Forms 1040/PC/A/EZ/NR/NR-EZ/PR/SS
10. **TSF-8-0071:** Paper Information Returns Processing Documents, TY 1998 Changes
11. **TSF-8-0092:** Estimated Tax Penalty Changes
12. **TSF-8-0103:** 1999 Child Tax Credit (Form 8812)
13. **TSF-8-0105:** Education Credit Processing
14. **TSF-8-0107:** 1999 Pipeline Processing for Earned Income Tax Credit Recertification
15. **TSF-8-0108:** 1999 Farm Income Averaging (Schedule J)
16. **TSF-8-0015:** 1999 Earned Income Credit and Online Entity Processing
17. **TSF-8-0126:** Changes to Forms 706, 706NA, and 709 Estate and Gift Tax Returns

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- 18. **TSF-8-0148:** Individual Retirement Account (IRA), Schedule H, Student Loan Interest Deduction, Alternative Minimum Tax/Kiddie Tax & Form 8814
- 19. **TSF-8-0156:** 1999 Roth IRA Processing

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Appendix VII

Management's Response to the Draft Report



COMMISSIONER

DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, D.C. 20224

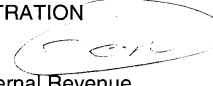
June 30, 1999

OFFICE OF TREASURY
INSPECTOR GENERAL
RECEIVED

1999 JUL -1 P 3 35

FOR TAX ADMINISTRATION

MEMORANDUM FOR TREASURY INSPECTOR GENERAL
FOR TAX ADMINISTRATION

FROM: Charles O. Rossotti 
Commissioner of Internal Revenue

SUBJECT: Management Response to Treasury Inspector
General for Tax Administration (TIGTA) Draft Audit
Report - The Internal Revenue Service Needs to
Improve Information Systems Quality Assurance Efforts
Over Key Tax Law Changes for the 2000 Filing Season

The Assistant Commissioner for Systems Development (IS:S) and the Assistant Commissioner for Product Assurance (IS:PA) have completed their review of the subject Draft Audit Report. The management response is attached.

In March 1998, the Filing Season Project Office (FSPO) was organized to monitor and track the status of Requests for Information Services (RIS) and related projects/programs for the 1999 Filing Season. Effective monitoring of RISs has progressed to include reporting of RISs that are still in the following statuses: Pending, Pending - Need More Information, and Escalated. The FS2000 Unresolved RISs/Placeholders Report will be used as a reporting tool to the customers and the Combined Management Program for Century Date Change and the Filing Season Executive Steering Committee (ESC). The FSPO has also established milestones for Pre-Coordination and Document Clearance to closely monitor the progress of RIS development and coordination for 2000 Filing Season.

Product Assurance management has thoroughly reviewed the procedures followed within the organization when monitoring test milestones against an individual test team's progress. Through its review Product Assurance has determined that each Branch will create a matrix to be used to track relevant milestones within their Branch. The Deputy Assistant Commissioner for Product Assurance will monitor compliance to these procedures through the Filing Season Weekly Status Meetings, and performance reviews with Product Assurance management.

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As a result of TIGTA's report, Product Assurance thoroughly reviewed the procedures followed when reporting program problems. During the test period, all program problems or delays that had an impact on the product implementation dates were discussed with the customer and reported to the ESC. The Deputy Assistant Commissioner for Product Assurance will monitor compliance to the various reporting mechanism through the Filing Season Weekly Status Meetings, performance reviews with Product Assurance management and review of the Weekly Exception Report.

If you have any questions, please call Paul Cosgrave, Chief Information Officer at (202) 622-6800, or have a member of your staff call David Junkins, Director, Office of Information Resources Management at (202) 283-4060, or Barry Herrmann, Chief, Office of IS Program Oversight at (202) 283-7698, as appropriate.

Attachment

cc: Assistant Inspector General for Audit
Director, Audit Projects

**The Internal Revenue Service Needs to Improve
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**Management Response to Treasury Inspector General for Tax Administration
(TIGTA) Draft Audit Report - The Internal Revenue Service Needs to Improve
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RECOMMENDATION #1

Information Systems' management should ensure the Filing Season Project Office is tasked with establishing management controls to monitor and oversee the overall progress of changes for the 2000 Filing Season.

ASSESSMENT OF CAUSE

TIGTA found the Filing Season Project Office was not tasked with analyzing the information obtained from the various Information Systems (IS) areas or ensuring its accuracy. TIGTA also found that until November 1998, the Filing Season Project Office did not provide analyses or explanations for information that had changed.

In March 1998, the Filing Season Project Office (FSPO) was organized to monitor and track the status of Requests for Information Services (RIS) and related projects/programs for the 1999 Filing Season. Procedures for the Project Office were, and still are, in an evolutionary state. Effective monitoring of RISs has progressed to include reporting of RISs that are still in the following statuses: Pending, Pending – Need More Information, and Escalated. The FS2000 Unresolved RISs/Placeholders Report will be used as a reporting tool to the customers and the Combined Management Program for Century Date Change and Filing Season Executive Steering Committee (ESC). Close personal monitoring of project development by liaisons for each IS application development area continues to be a very successful activity utilized by FSPO. FSPO has, in the past, coordinated the compilation and consolidation of various data related to RISs and presented that data in the form of reports to different levels of management. FSPO has now become much more involved in ensuring the accuracy of the information that is submitted prior to the subsequent distribution of that information. FSPO also established milestones for Pre-Coordination and Document Clearance to closely monitor the progress of RIS development and coordination for 2000 Filing Season.

CORRECTIVE ACTION FOR RECOMMENDATION #1

The Project Office has evaluated and updated some of the procedures related to information gathering, such as life cycle development milestone reporting in the Schedule and Status Report. With regard to the monitoring of RIS related projects, the milestone focus has been on the timely transmittal of documentation and programs to Product Assurance and meeting production implementation dates.

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The milestone dates in the Schedule and Status Report are coordinated and agreed upon by Product Assurance and the application programmers by the beginning of April and the Report is then officially updated and distributed weekly. If there is any future change to the milestone dates for Documentation to SAT or Programs Transmitted to SAT, the following authentication procedure is required. Division level sign-off from the responsible application programming area documenting the date change and the resulting impact on Product Assurance testing and Filing Season implementation will be sent to Product Assurance for their concurrence. The documentation will then be retained by the Filing Season Project Office for audit trail purposes.

IMPLEMENTATION DATE FOR CORRECTIVE ACTION #1

COMPLETED: 04/30/99 PROPOSED: _____

RESPONSIBLE OFFICIAL FOR CORRECTIVE ACTION #1

Chief Information Officer IS
Deputy Chief Information Officer (Systems) IS
Assistant Commissioner for Systems Development IS:S

CORRECTIVE ACTION #1 MONITORING PLAN

The Filing Season Project Office will monitor compliance of the Division sign-off for the milestone changes indicated in the Corrective Action. We will also retain copies of the documentation for audit trail purposes.

RECOMMENDATION #2

Product Assurance Division management should consistently report on the progress of testing for the 2000 Filing Season by monitoring the critical milestone dates for, at least, the following phases included in Systems Acceptability Testing (SAT) Plans: Completion of data preparation; Input, processing and output reviews of testing; and System interface processing.

ASSESSMENT OF CAUSE

TIGTA found in their review that there were inconsistencies among the test branches when monitoring the progress of individual test teams against their test plan milestones. While each Branch has different internal tracking methods, all phases of the SAT test are accurately tracked. The TIGTA report states there was a failure to report problems

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that could affect project milestone completion dates and could lead to delays in production dates. Test plan milestone dates are planning dates for conducting the test. The dates assume Product Assurance will encounter problems, report them, and retest the program once the problem is fixed. Delays in milestone dates do not necessarily correlate to delays in production. None of the projects cited in the report were delayed in production as a result of Product Assurance's failure to report program delays or problems.

CORRECTIVE ACTION FOR RECOMMENDATION #2

Product Assurance management has thoroughly reviewed the procedures followed within the organization when monitoring test milestones against an individual test team's progress. In addition, each specific project mentioned in the TIGTA report has been reviewed and none were delayed in production. Product Assurance did find there were differences in how test plan milestones are tracked within the five test branches. Test Plan milestones vary from system to system, as a result the test milestones reviewed in the report may not be applicable to all systems. Through its review Product Assurance has determined that each Branch will create a matrix to be used to track relevant milestones within their Branch. Section Chiefs will have the primary responsibility to track project milestones and to report project status. The Branch Chiefs will be responsible for assuring that milestones are monitored for the 2000 Filing Season. Project milestones which affect test schedules will be reported through the various mechanisms detailed in Recommendation #3.

IMPLEMENTATION DATE FOR CORRECTIVE ACTION #2

COMPLETED: _____ PROPOSED: 07/01/99

RESPONSIBLE OFFICIAL FOR CORRECTIVE ACTION #2

Chief Information Officer IS
Deputy Chief Information Officer (Systems) IS
Assistant Commissioner for Product Assurance IS:PA

CORRECTIVE ACTION #2 MONITORING PLAN

The Deputy Assistant Commissioner for Product Assurance will monitor compliance to these procedures through the Filing Season Weekly Status Meetings, in which he actively participates, and performance reviews with Product Assurance management.

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RECOMMENDATION #3

Product Assurance Division management should identify any testing delays in their weekly status reports and discuss those at the Combined Management Program for Century Date Change and Filing Season ESC and Filing Season Progress Meetings.

ASSESSMENT OF CAUSE

TIGTA believes through their review that program problems are not reported timely and as a result, production delays could occur. The report cited several examples; however, none of the projects cited were delayed in production as a result of Product Assurance's failure to report program problems. Additionally, some of the examples contained inaccurate information. For example, the information about Electronic Filing (ELF) is in error. All system functionality planned for testing and included in the scope of the SAT Plan was tested and completed timely. Late legislative changes, described in the TIGTA report, and changes made to ELF were coordinated and agreed to by the Customer. These were not part of the scheduled SAT test, and therefore, not included in Product Assurance's reports. All stakeholders concurred with the implementation plan.

CORRECTIVE ACTION FOR RECOMMENDATION #3

As a result of TIGTA's report, Product Assurance thoroughly reviewed the procedures followed when reporting program problems. Program problems are currently reported in several ways throughout the Filing Season.

These reporting mechanisms are:

- Weekly meetings are held by the Test Branch Chiefs with their peers in Systems Development throughout the Filing Season.
- Weekly meetings are held at the Assistant Commissioner and Director level each week during the Filing Season between Product Assurance and Systems Development.
- Product Assurance issues a Weekly Status Report that is available on its web site and delivered each week to the Chief Information Officer (CIO) and Deputy Chief Information Officers (DCIOs).
- Each program problem is reported on the Integrated Network and Operations Management System (INOMS).
- Product Assurance also produces a bi-weekly report for the DCIO Systems to report program problems.

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- Program problems of the most serious nature are reported to the ESC. In this past Filing Season, Product Assurance routinely reported updates on Electronic Fraud Detection System (EFDS) and Integrated Submission/Remittance Processing System (ISRP) to the ESC.

During the test period, all program problems or delays that had an impact on the production implementation dates were discussed with the Customer and reported to the ESC. Product Assurance does not feel it is appropriate to raise every program problem to the ESC. The Commissioner has stated on many occasions that he wants to see problems resolved at the lowest possible level of the organization. Product Assurance and its partners in Systems Development routinely resolve program problems each Filing Season without participation from upper management.

During the review of its procedures, Product Assurance did discover differences among the test teams when reporting program problems on the Weekly Status Report. Product Assurance management has already taken steps to ensure that program problems are reported promptly in the Weekly Status Report. In addition, program problems once reported, will be followed through to conclusion in the reporting process.

IMPLEMENTATION DATE FOR CORRECTIVE ACTION #3

COMPLETED: 03/19/1999 PROPOSED: _____

RESPONSIBLE OFFICIAL FOR CORRECTIVE ACTION #3

Chief Information Officer IS
Deputy Chief Information Officer (Systems) IS
Assistant Commissioner for Product Assurance IS:PA

CORRECTIVE ACTION #3 MONITORING PLAN

The Deputy Assistant Commissioner for Product Assurance will monitor compliance to the various reporting mechanism through the Filing Season Weekly Status Meetings, performance reviews with Product Assurance management and review of the Weekly Exception Report.